

UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
Cleveland Electric)
Illuminating Company, et al.) Docket No. 50-440
)
(Perry Nuclear Power Plant)

Unit 1))

Ohio Edison's Supplemental Application For License Transfer

On November 17, 1995, Ohio Edison Company ("Ohio Edison") filed an application requesting the Nuclear Regulatory Commission ("NRC") to approve under 10 C.F.R. § 50.80 a license transfer for a portion of Ohio Edison's ownership interest in the Perry Nuclear Power Plant ("Perry") to a wholly owned subsidiary, OES Nuclear Inc. ("OES"). On December 20, 1995, the NRC issued an order authorizing the transfer of license, from Ohio Edison to OES, for the 17.42% ownership share of the NRC licensed facilities for Perry (except for related transmission facilities) as requested by the November 17, 1995 application. The NRC found OES "qualified to hold the

license to the extent and for the purposes that Ohio Edison is now authorized to hold the license" with respect to this 17.42% ownership interest in the Perry licensed facilities.

In addition to the 17.42% share transferred to OES, Ohio Edison also holds an additional 12.58% ownership interest in a portion of the licensed facilities for the Perry plant that had formerly been denominated as "common facilities" when the owners had previously intended to construct and operate a second unit at the Perry site. Ohio Edison had intended to include this portion of these facilities in its original application filed November 17, 1995, but it was inadvertently omitted. Accordingly, this Supplemental Application requests the NRC to approve the transfer to OES of the remaining ownership share held by Ohio Edison in the so-called "common facilities," *i.e.*, its 12.58% interest not previously transferred pursuant to the NRC's order dated December 20, 1995. These "common facilities" include:

- Fuel handling and storage facilities, including fuel handling and inspection equipment, spent fuel storage facilities and associated cooling and clean-up systems, and radiation detection equipment.
- Radioactive waste processing facilities, including liquid radioactive waste processing and storage facilities, gaseous radwaste processing and storage, and solid waste processing and storage equipment, along with associated radiation detection and monitoring equipment.
- Service equipment, including laboratory equipment, computer equipment, and machine shop tools and equipment.
- Site security systems equipment and health physics equipment.
- Makeup and discharge water systems, including associated equipment, and intake and discharge tunnels.

- Office and warehouse furniture and equipment, training equipment and reactor simulator.

The license transfer requested by this Supplemental Application will not affect Ohio Edison's license or financial responsibilities for Perry. Ohio Edison will remain a named licensee on the Perry license, as well as OES, with the antitrust conditions and other conditions remaining fully applicable to both. Further, the additional ownership interest to be transferred under this request will be subject to the same contractual arrangements and terms described in the November 17, 1995 application. Under these arrangements, Ohio Edison will make payments to OES in an amount sufficient for OES to pay all of its expenses and will retain full responsibility for the costs of operating, maintaining and decommissioning the interest in Perry transferred to OES, including without limitation any costs associated with meeting NRC safety and other requirements.

Set forth below is the information required by 10 C.F.R. § 50.80 for the requested license transfer. It is substantively identical to that provided in the November 17, 1995 application. A proposed draft notice of the requested transfer for publication in the Federal Register is attached to this application.

A. General Information Concerning Ohio Edison Company

1. Name and Address

Ohio Edison Company
76 South Main Street
Akron, Ohio 44308-1890
(216) 384-5100

2. Description of Business

Ohio Edison is an investor-owned company engaged in generating, transmitting and distributing electric energy in Ohio to residential, commercial and industrial customers for their own use and in Ohio and elsewhere to wholesale customers for resale.

3. Organization and Management

Ohio Edison is organized and existing under the laws of the State of Ohio. All of Ohio Edison's directors and principal officers are citizens of the United States. Their names and addresses are as follows:

DIRECTORS

<u>Name</u>	<u>Address</u>
Donald C. Blasius	60128 Davie Chapel Hill, N.C. 27514
H. Peter Burg Senior Vice President and Chief Financial Officer	Ohio Edison Company 76 South Main Street Akron, Ohio 44308
Robert H. Carlson	Pennsylvania Power Company P.O. Box 891 New Castle, PA 16103-0891
Robert M. Carter	Carter & Associates 1104 Hanna Bldg. 1422 Euclid Avenue Cleveland, Ohio 44115

Dr. Carol A. Cartwright
President

Kent State University
Executive Offices
Kent, Ohio 44242

Willard R. Holland
President and Chief Executive Officer

Ohio Edison Company
76 South Main Street
Akron, Ohio 44308

Robert L. Loughead

359 Berkshire Drive
Riva, MD 21140

Russell W. Maier
(Mr. Maier was elected a Director
on December 19, 1995.)

Republic Engineered Steels, Inc.
410 Oberlin Road, S.W.
Massillon, OH 44647

Glenn H. Meadows

3001 Silver Lake Blvd.
Silver Lake, Ohio 44224

Paul J. Powers
Chairman of the Board
and Chief Executive Officer

Commercial Intertech Corporation
1775 Logan Avenue
Youngstown, Ohio 44505

Charles W. Rainger
President

Sandusky International, Inc.
615 West Market Street
Sandusky, Ohio 44870

George M. Smart
Chairman of the Board
and President

Phoenix Packaging Corporation
3075 Brookline Road
P.O. Box 2158
North Canton, Ohio 44720

Jesse T. Williams, Sr.
Vice President

Goodyear Tire & Rubber Company
1144 East Market Street
Akron, Ohio 44316

PRINCIPAL OFFICERS

<u>Name</u>	<u>Address</u>
Willard R. Holland President and Chief Executive Officer	Ohio Edison Company 76 South Main Street Akron, Ohio 44308
Anthony J. Alexander Senior Vice President and General Counsel	Ohio Edison Company 76 South Main Street Akron, Ohio 44308
H. Peter Burg Senior Vice President and Chief Financial Officer	Ohio Edison Company 76 South Main Street Akron, Ohio 44308
Robert J. McWhorter Senior Vice President	Ohio Edison Company 76 South Main Street Akron, Ohio 44308
Earl T. Carey Vice President	Ohio Edison Company 76 South Main Street Akron, Ohio 44308
Arthur R. Garfield Vice President	Ohio Edison Company 76 South Main Street Akron, Ohio 44308
John A. Gill Vice President	Ohio Edison Company 76 South Main Street Akron, Ohio 44308

Barry M. Miller
Vice President

Ohio Edison Company
76 South Main Street
Akron, Ohio 44308

David L. Yeager
Vice President

Ohio Edison Company
76 South Main Street
Akron, Ohio 44308

Nancy C. Brink
Secretary

Ohio Edison Company
76 South Main Street
Akron, Ohio 44308

Richard H. Marsh
Treasurer

Ohio Edison Company
76 South Main Street
Akron, Ohio 44308

Harvey L. Wagner
Comptroller

Ohio Edison Company
76 South Main Street
Akron, Ohio 44308

Theodore F. Struck II
Assistant Treasurer and
Assistant Secretary

Ohio Edison Company
76 South Main Street
Akron, Ohio 44308

Howard J. Tuber
Assistant Comptroller

Ohio Edison Company
76 South Main Street
Akron, Ohio 44308

Ohio Edison is not owned, controlled or dominated by an alien, foreign corporation or foreign government. Ohio Edison is not acting as an agent or representative of any another person.

B. General Information Concerning OES

1. Name and Address

OES Nuclear, Inc.
76 South Main Street
Akron, Ohio 44308-1890
(216) 384-5100

2. Description of Business

OES is a wholly owned subsidiary of Ohio Edison. It will acquire and hold title to the interest in the Perry Nuclear Power Plant as described in the November 17, 1995 application for license transfer and this Supplemental Application for license transfer. It will sell steam to Ohio Edison produced by the interest in the Perry Nuclear Power Plant conveyed to it and permit Ohio Edison to use that steam to produce electricity from OES's interest in the Perry turbine generator so transferred.

3. Organization and Management

OES is organized and existing under the laws of the State of Ohio. All of OES's directors and principal officers are citizens of the United States. Their names and addresses are as follows:

DIRECTORS

Name

Willard R. Holland

Address

Ohio Edison Company
76 South Main Street
Akron, Ohio 44308

H. Peter Burg

Ohio Edison Company
76 South Main Street
Akron, Ohio 44308

David L. Feltner

Ohio Edison Company
76 South Main Street
Akron, Ohio 44308

OFFICERS

Name

Willard R. Holland
President

Address

Ohio Edison Company
76 South Main Street
Akron, Ohio 44308

David L. Feltner
Secretary

Ohio Edison Company
76 South Main Street
Akron, Ohio 44308

Richard H. Marsh
Treasurer

Ohio Edison Company
76 South Main Street
Akron, Ohio 44308

Theodore F. Struck
Assistant Treasurer

Ohio Edison Company
76 South Main Street
Akron, Ohio 44308

As a wholly owned subsidiary of Ohio Edison, OES is not owned or dominated by an alien, foreign corporation or foreign government and will not be acting as an agent or representative of any other person.

C. Technical Qualifications

The sale of Ohio Edison's incremental 12.58% ownership interest of the Perry Nuclear Power Plant facilities formerly denominated as common facilities and its right to use or lease some or all of that interest from OES relate solely to Ohio Edison's right to possess the Perry nuclear facility under license NPF-58. Ohio Edison has no authority to operate the Perry facility and the requested transfer involves no change to either the management organization or technical personnel responsible for operating and maintaining the Perry nuclear facility. Both before and after the transfer, the Cleveland Electric Illuminating Company ("CEI") and Centerior Service Company ("Centerior") will be responsible for the operation and maintenance of the Perry plant and the CEI and Centerior management organization and technical personnel so responsible will not be changed by the transfer.

D. Financial Qualifications

Ohio Edison is an electric utility within the meaning of the definition set out in 10 C.F.R. § 50.2. It generates and distributes electricity and recovers the cost of this electricity through rates authorized by the Public Utilities Commission of Ohio and by the Federal Energy Regulatory Commission. OES, as a wholly owned subsidiary of Ohio Edison and part owner of the Perry generating plant, similarly falls within the definition of an electric utility under 10 C.F.R. § 50.2. Therefore, as concluded by the

NRC in its December 20, 1995 order, the financial qualifications of OES to possess the Perry plant are presumed by NRC regulations and no specific demonstration is required under 10 C.F.R. § 50.33(f). Moreover, as described in the November 17, 1995 application, Ohio Edison will be obligated under the contractual arrangements between Ohio Edison and OES to make payments to OES in an amount sufficient for OES to pay all of its costs and expenses with respect to Perry.

E. Decommissioning Funding

NRC regulations require information showing "reasonable assurance . . . that funds will be available to decommission the facility." 10 C.F.R. § 50.33(k). Ohio Edison has filed a decommissioning report with the NRC under 10 C.F.R. § 50.75(b) and is providing financial assurance for decommissioning a 30% interest of Perry in accordance with the report through an external sinking trust fund in which it deposits monies at least annually. Ohio Edison will remain fully responsible for the decommissioning liabilities associated with the 30% interest in Perry attributable to it, including the interest subject of this transfer application. As such, the transfer described in this Supplemental Application will result in no changes being made to the decommissioning trust fund for this 30% interest in Perry. The existing decommissioning trust fund will remain with Ohio Edison as will the obligation to make future payments to this fund.

F. Antitrust Information

The proposed license transfer described in this Supplemental Application will result in no change in the applicability of the Perry antitrust conditions to Ohio

Edison or OES, as described in the November 17, 1995 application and the NRC's order of December 20, 1995.

G. Statement Of Purposes For The Transfer And Nature Of The Transaction Necessitating Or Making The Transfer Desirable

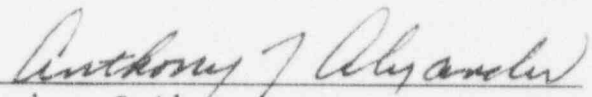
The sale of Ohio Edison's incremental 12.58% ownership interest of the Perry Nuclear Power Plant facilities formerly denominated as common facilities, for which this Supplemental Application requests a license transfer, is being undertaken in anticipation of a more competitive marketplace for electricity. Ohio Edison has recently received approval from the Ohio Public Utilities Commission to implement a comprehensive rate plan to reduce costs associated with its fixed charges. By restructuring in the manner described in the November 17, 1995 application, and this Supplemental Application, Ohio Edison will reduce its current operating costs and improve its ability to compete in a cost effective way.

H. Restricted Data

This application does not contain any Restricted Data or other defense information, and it is not expected that any will become involved. However, both Ohio Edison and OES agree that they will appropriately safeguard such information if it does become involved and that they will not permit any individual to have access to Restricted Data until the Office of Personnel Management (the successor to the Civil Service Commission) shall have made an investigation and report to the Nuclear Regulatory Commission on the character, associations, and loyalty of such individual, and the Nuclear Regulatory Commission shall have determined that permitting such

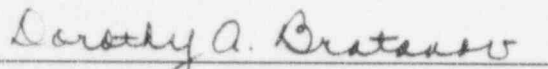
person to have access to Restricted Data will not endanger the common defense and security.

Based on the foregoing, the NRC is requested to approve under 10 C.F.R. § 50.80 the transfer of Ohio Edison's license and ownership interest in Perry Nuclear Power Plant, as described herein, to its wholly owned subsidiary, OES.


Anthony J. Alexander

Senior Vice President and General Counsel
Ohio Edison Company

Subscribed to and sworn to before me
This 28th day of December, 1995


Notary Public, State of Ohio
My Commission expires: _____

DOROTHY A. BRATANOV
Notary Public, State of Ohio
Resident of Summit County
My Commission Expires Feb. 24, 1998

ATTACHMENT

NUCLEAR REGULATORY COMMISSION (NRC)

[Docket No. 50-440]

Cleveland Electric Illuminating Company, et al.;

Notice of

Transfer of Ownership of Perry Nuclear Power Plant

DATE: January __, 1996

Notice is hereby given that the United States Nuclear Regulatory Commission (Commission) is considering approval under Title 10 of the Code of Federal Regulations (CFR), Section 50.80, of the transfer of 12.58% of the ownership of certain facilities of the Perry Nuclear Power Plant from the Ohio Edison Company (Ohio Edison) to a wholly owned subsidiary of Ohio Edison, OES Nuclear Inc. (OES). By order dated December 20, 1995 the NRC approved the transfer of a 17.42% ownership share of the NRC licensed facilities for the plant (except for related transmission facilities) held by Ohio Edison to OES, as had been requested by Ohio Edison in an "Application For License Transfer In Connection With Sale And Related Transactions" filed November 17, 1995. A related license amendment application, dated November 22, 1995, has been filed with the NRC to add OES to the license to reflect the license transfer approved by the NRC's order of December 20, 1995. Subsequently, on December 29, 1995, Ohio Edison filed a Supplemental Application for License Transfer requesting the NRC to approve the transfer to OES of an additional 12.58% ownership interest in facilities that had formerly been denominated as "common facilities" when the licensees had intended to construct and operate a second nuclear unit at the Perry site.

Pursuant to 10 CFR 50.80 the Commission may approve the transfer of a license, after notice to interested persons, upon the Commission's determination that the holder of the license following the transfer of control is qualified to be a holder of the license and that the transfer of control is otherwise consistent with applicable provisions of law, regulations, and orders of the Commission. Ohio Edison has requested consent under 10 CFR 50.80 to the transfer of the license effectuated by the change in control of ownership interest described in its Supplemental Application of December 29, 1996.

For further details with respect to this action, see the November 17, November 22 and December 29, 1995 letters and the NRC's December 20, 1995 order, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington DC, and at the local public document room located at the Perry Public Library, 3753 main Street, Perry, Ohio 440081

Dated at Rockville, Maryland this __ day of January 1996

For the Nuclear Regulatory Commission.

Gail H. Marcus,
Director, Project Directorate III-3, division of Reactor Projects--III/IV, Office of Nuclear
Reactor Regulation.

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